

AMENDED IN ASSEMBLY JUNE 29, 2011

**SENATE BILL**

**No. 225**

**Introduced by Senator Simitian**

*(Principal coauthor: Assembly Member Achadjian)*

February 9, 2011

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An act to add Section 44559.10 to the Health and Safety Code, relating to the California Pollution Control Financing Authority.

LEGISLATIVE COUNSEL'S DIGEST

SB 225, as amended, Simitian. California Pollution Control Financing Authority: Capital Access Loan Program.

The California Pollution Control Financing Authority Act establishes the Capital Access Loan Program for small businesses, administered by the California Pollution Control Financing Authority, which provides loans through participating financial institutions to qualifying small businesses. The authority is required to create a loss reserve account for each financial institution.

This bill would authorize the authority to establish loss reserve accounts for the purposes of terminal rental adjustment clause ~~(TRAC)~~, *as defined*, leasing, ~~as defined~~, if funds are available for contribution into the loss reserve account from any source other than the authority.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 44559.10 is added to the Health and
- 2 Safety Code, to read:

1 44559.10. (a) Notwithstanding any other provision of this  
2 article, the authority may establish loss reserve accounts for the  
3 purposes of terminal rental adjustment clause ~~(TRAC) leasing~~, as  
4 ~~defined in Section 7701(h)(3) of Title 26 of the United States Code~~  
5 *leasing*, if funds are available for contribution into the loss reserve  
6 account from any source other than the authority. The authority  
7 shall not contribute any funds into a loss reserve account created  
8 pursuant to this section.

9 (b) The executive director may establish conditions for ~~TRAC~~  
10 *terminal rental adjustment clause* leasing loss reserve accounts  
11 created pursuant to this section.

12 (c) *As used in this section, “terminal rental adjustment clause”*  
13 *means “terminal rental adjustment clause” as defined in Section*  
14 *7701(h)(3) of Title 26 of the United States Code.*